

S/037/096

From: Joelle Burns
To: smithb@universalwireline.com
Date: 8/26/04 12:09PM
Subject: Ridgepoint Mining Company - Duke Project

Hi Barbara: Thank you for your phone call stating that Universal Wire Line Equipment may be taking over a mine operation in San Juan County. We do have record of Ridgepoint Mining Company with a small mining permit #S/037/096 for gold. The site is located on School and Institutional Trust Lands Administration (SITLA) lands in:
E1/2 NE1/4 NW1/4, and
W1/2 NW1/4 NW1/4 Section 36
Township 29.5 South, Range 22 East, San Juan County, Utah

Our records show SITLA lease numbers for this project as: ML 47323 and ML 47316.

The permit is in good standing with this Division. Permit fees are paid, SITLA holds a \$10,000 reclamation bond. However, the last correspondence we received from SITLA is summarized as follows:

7/20/2004 - DOGM received copy of SITLA letter to operator stating no production has been reported and site inspections revealed most mining equipment has been removed from the site. Presently there remains a large container trailer and storage truck, numerous stockpiles of soil and sand that were to be processed or have been processed during active mining. Lease is due to expire on 8/31/06. Without proof of diligent development or actual production, the lease will not be extended. If the lease is not extended and if reclamation has not commenced by that date, SITLA will forfeit the \$10,000 surety held for this site.

Sounds like Ridgepoint is under the gun with SITLA for bond forfeiture if things are not taken care of by next Tuesday (8/31). Perhaps you could give Will Stokes of SITLA a call to let him know of your intent. His phone number is (801) 538-5153. I will forward this e-mail to him as well.

Any further questions, give me a call back (801) 538-5291.

Joelle

CC: William Stokes